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Support for the Palestinian people: impact of the Israeli occupation and practices

Summary

The Economic and Social Commission for Western Asia (ESCWA) monitors and analyses the social and economic conditions in the occupied Palestinian territory, the impact of the Israeli practices and policies therein, and the violations of international law perpetrated in the context of the Israeli occupation, as mandated by its member States, particularly in resolution 316 (XXVIII) of 18 September 2014 and resolution 326 (XXIX) of 15 December 2016.

The present report, submitted to the thirtieth session of ESCWA pursuant to those resolutions, provides a snapshot of Israeli policies and practices and a number of their immediate and long-term cumulative repercussions on the Palestinian population living under occupation, particularly on their social and economic conditions. The report takes in focus the Israeli-imposed blockade on the Gaza Strip. It also sheds light on selected sectors of the Palestinian economy that hold potential for productivity and job creation but face obstacles in their growth due to the ongoing occupation.

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Introduction

1. The United Nations Economic and Social Commission for Western Asia (ESCWA) monitors and analyses the social and economic conditions in the occupied Palestinian territory, the impact of the Israeli practices and policies therein, and the violations of international law perpetrated in the context of the Israeli occupation, as mandated by its member States, particularly in resolution 316 (XXVIII) of 18 September 2014 and resolution 326 (XXIX) of 15 December 2016. The first requested the ESCWA secretariat to submit "periodic reports to the ministerial sessions of the Commission on the practices of the Israeli occupation that violate the economic and social rights of the Palestinian people and other rights guaranteed by international law, charters and conventions". The second requested it to "continue to monitor and evaluate the repercussions of the Israeli occupation for the Palestinian people and their society, economy and infrastructure and for the economic and social development of current and future generations". The present report is submitted to the thirtieth ESCWA session pursuant to those resolutions.

2. For decades, the Palestinian people have suffered from injustice, discriminatory Israeli policies and numerous Israeli violations of international law at the expense of their rights: millions of Palestinians live in the diaspora or in refugee camps across the region and are denied their right of return; Palestinians holding Israeli citizenship suffer societal and institutional discrimination;[1] and Palestinians in the occupied Palestinian territory suffer from the brunt of direct occupation and oppression.

3. Despite the occupation and against all odds, the Palestinian people and their institutions not only pursue their efforts to attain their inalienable rights, but also seek to implement the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs). However, realizing the SDGs in the occupied Palestinian territory will be unlikely unless drastic measures are taken, especially as Israeli policies and practices continue to render the Palestinian economy dependent on Israel.

4. The conditions in Gaza exemplify this situation. Israeli measures, including the 11-year blockade, constitute the main cause for de-development there and for the worsening living conditions of the nearly 2 million Palestinian inhabitants.

5. This report provides a snapshot of Israeli policies and practices and their immediate and long-term cumulative impact on the Palestinian population living under occupation, particularly on their social and economic conditions. The report takes in focus the Israeli-imposed blockade on the Gaza Strip. It also sheds light on selected Palestinian sectors that hold potential for productivity and job creation but face obstacles in their development due to the ongoing occupation.

I. ISRAELI PRACTICES AND POLICIES

6. The United Nations Special Rapporteur on the situation of human rights in the Palestinian territories occupied since 1967 stated that the "only credible explanation for Israel's continuation of the occupation and its thickening of the settlement regime is to enshrine its sovereign claim over part or all of the Palestinian territory, a colonial ambition par excellence".[2]

7. Along these lines, Israeli policies in the occupied Palestinian territory can be viewed as part of a three-fold strategy of land grab, displacement of Palestinians and oppression of any resistance thereto. These polices entail multiple and consistent violations of international law, including what may amount to war crimes[3] and crimes against humanity.[4]

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[1] United States of America, U.S. Department of State, *Country Report on Human Rights Practices for 2017: Israel, Golan Heights, West Bank, and Gaza*. Available at https://www.state.gov/documents/organization/277489.pdf.

[2] A/72/556, para. 50.

[3] See E/ESCWA/2015/EC.1/5(Part I), paras. 6 and 12; and A/HRC/29/52, paras. 75-78.

[4] See A/HRC/12/48.

A. LAND GRAB

8. Israeli practices and measures since the 1990s have aimed at creating new facts on the ground, including consolidating and formalizing control of land, thereby preempting negotiations with the Palestinians through formal and de facto annexation of land. Many of the measures through which Israel undertakes this annexation are illegal under international law.

1. *Formal annexation*

9. The prohibition of using force against the territorial integrity or political independence of any State[5] is a principle of the Charter of the United Nations and a pillar of international law, as is the principle of the inadmissibility of the acquisition of territory by war. Israel's violations of these principles include the following:

(a) Israel militarily occupied East Jerusalem in 1967 and officially annexed the city and 70 square kilometres (km^2) of land around it in 1980. The Security Council and other United Nations bodies have condemned Israel's actions in that regard and have considered them null and void;[6]

(b) Israeli settlements in the West Bank are illegal under international humanitarian law. Israel's settlement policy has been repeatedly condemned by the Security Council.[7] Consecutive Israeli Governments have not only established and expanded settlements but also encourage Israelis to live in them, which yields a population growth rate more than double that of Israel. Areas surrounding the settlements are usually declared off limits to Palestinians on the account of 'security reasons' and are eventually annexed to the settlements.[8] At least 20 bills have been presented to the Knesset since March 2015 that seek annexation of areas in the West Bank, especially those on which settlements are established, and extension of Israeli sovereignty over them.[9] By the end of 2016, according to the Palestinian Central Bureau of Statistics (PCBS), 636,452 settlers were living in 257 settlements, including 302,188 settlers in the Jerusalem Governorate.[10] In 2017, B'Tselem estimated that settlements covered 538.1 km^2 of West Bank land.[11]

2. *Land confiscation and seizure*

10. PCBS estimates that Israel has confiscated or seized 40 per cent of the land of the West Bank (including East Jerusalem).[12] Since 1967, Israel has utilized a number of measures in its bid to grab as much Palestinian land as possible in the areas it occupies, particularly in the West Bank. These measures include the following:

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[5] Charter of the United Nations, Chapter I, Article 2 (4); and General Assembly resolution 2625 (XXV) of 24 October 1970 on the Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States in accordance with the Charter of the United Nations.

[6] See, for example, S/RES/478 (1980).

[7] See, for example, S/RES/465 (1980) and S/RES/2334 (2016).

[8] Yesh Din, "Through the lens of Israel's interests: the civil administration in the West Bank", pp. 16-18; and A/71/86–E/2016/13, para. 5.

[9] A/72/564, para. 16.

[10] Palestinian Central Bureau of Statistics (PCBS), "Press release by the Palestinian Central Bureau of Statistics (PCBS) on the eve of the forty-second annual commemoration of Land Day, March 30, 2018", 29 March 2018. Available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_29-3-2018-land-en.pdf.

[11] B'Tselem, "Settlements", 11 November 2017. Available at https://www.btselem.org/settlements.

[12] PCBS, "Press release on the eve of the 41st anniversary of Land Day March 30th, 2017", 29 March 2017. Available at http://www.pcbs.gov.ps/portals/_pcbs/PressRelease/Press_En_29-3-2017-LD-en.pdf.

(a) Declaration of 'State land': measure by which Israel claims ownership of Palestinian land based mainly on the antiquated Ottoman Land Code of 1858. According to the Code, one must cultivate a piece of land for at least 10 consecutive years to be allowed to register it as their own, otherwise it is considered 'State land'.[13] In 2017, B'Tselem reported that 1,400 km^2, or one quarter of the West Bank, had been declared 'State land' by Israel;[14]

(b) Seizure for military purposes: first measure deployed by Israel to confiscate land. Such seizures are supposed to be temporary and linked to military needs.[15] However, rarely has seized land been returned to its Palestinian owners; seizure orders are instead regularly renewed, which is generally followed by some form of confiscation. After a lull from 1979 to 2003, Israel resumed this practice mostly to create buffer zones around settlements and to build the wall in the West Bank. More than 31 km^2 of Palestinian land has been seized for military purposes since 1967;[16]

(c) Seizure of 'absentee property': measure by which registered lands in the West Bank whose owners fled in 1967 have been seized. Military orders grant the Israeli State the authority to manage these lands until the owner returns, which is a rare occurrence, especially that Israel prevents the return of refugees and has stopped family reunification. Absentee property that has not been cultivated for three years is declared 'State land'.[17] The area estimated to have been seized by the State for absenteeism is about 430 km^2;[18]

(d) Confiscation for public needs: measure by which Israeli authorities cite the public good as a justification for land grab, including for roads and other infrastructure projects. While international law stipulates that such measures can only be made to the benefit of the protected population, Israel tends to do the opposite. Confiscation of land in the West Bank tends to be geared to the benefit of Israelis at the expense of Palestinians, and serves for the establishment of settlements, Israeli-only roads and Israeli-run quarries.[19] For example, Israeli authorities confiscated 10 km^2 of Palestinian owned land under this pretext to build the Ma'ale Adumim settlement in the 1980s;[20]

(e) Initial registration: measure by which Israel registers land that is previously unregistered in bodies recognized by Israel as publicly owned. Palestinian owners must prove ownership through a very long and tedious process. Data about this type of confiscation are not readily available;[21]

(f) Closed military areas: measure by which the Israeli authorities designate areas under their occupation as closed military areas under various pretexts. In many cases, it is a prelude to seizure or confiscation, or intended to drive Palestinians out of the designated area. Over one half of Area C lands,

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[13] Peace Now, "Methods of confiscation – How does Israel justify and legalize confiscation of lands?" 1 January 2009. Available at http://peacenow.org.il/en/methods-of-confiscation-how-does-israel-justify-and-legalize-confiscation-of-lands.

[14] B'Tselem, "Settlements".

[15] Kerem Navot, *Israeli Settlers' Agriculture as a Means of Land Takeover in the West Bank* (Jerusalem, 2013), p. 28. Also see Peace Now, *Breaking the Law in the West Bank – One Violation Leads to Another: Israeli Settlement Building on Private Palestinian Property* (Jerusalem and Tel Aviv), p. 9, available at http://peacenow.org.il/wp-content/uploads/2009/01/Breaking_The_Law_in_WB_nov06Eng.pdf.

[16] B'Tselem, "Settlements".

[17] Human Rights Watch, *Separate and Unequal: Israel's Discriminatory Treatment of Palestinians in the Occupied Palestinian Territories* (New York, 2010).

[18] Peace Now, "Methods of confiscation – How does Israel justify and legalize confiscation of lands?", 1 January 2009. Available at http://peacenow.org.il/en/methods-of-confiscation-how-does-israel-justify-and-legalize-confiscation-of-lands.

[19] A/71/86, paras. 41-44; A/70/82, para. 44; A/67/91, para. 19.

[20] A/36/579, para. 118.

[21] Peace Now, "What is a declaration of state land?", 8 September 2014. Available at http://peacenow.org.il/en/what-is-a-declaration-of-state-land.

amounting to one third of the entire West Bank, are designated as closed military areas. Israeli settlers are allowed to cultivate over 14,000 dunams of land within closed military areas even though, legally, both Israeli citizens and Palestinians are prohibited from entering them.[22]

B. DISPLACEMENT

11. In tandem with land grab, Israeli policies seek to displace Palestinians from their lands and homes in areas of the West Bank, particularly Area C and East Jerusalem, mainly to consolidate of Israel's control over land, water resources and agricultural areas. Furthermore, the Israeli Municipality of Jerusalem openly pursues what it calls a 'demographic balance' policy by which it seeks to secure a Jewish-Israeli demographic majority in the city.[23]

12. Israeli practices and policies create a coercive environment that prompts the displacement of Palestinians in what amounts to forcible displacement, prohibited under international humanitarian law. Such practices include unhindered harassment, threats and violence perpetrated by Israeli settlers, soldiers and security forces in the West Bank with almost no accountability. Several locales in Area C are deprived of access to basic health, education, and water, sanitation and hygiene (WASH) services, which drives Palestinians out.[24]

13. The Israeli authorities also employ the direct displacement measures detailed in the below paragraphs.

1. *Revocation of residency permits*

14. Since 1967, Israel has retained control over the residency status of the Palestinian population of the occupied Palestinian territory. In June 2012, the Israeli military authorities disclosed that they had revoked the residency permits of about 250,000 Palestinians from the West Bank and the Gaza Strip up until the establishment of the Palestinian Authority in 1994.[25] The policy of revoking residency permits of Palestinians in East Jerusalem continues under various pretexts and rules. Up until May 2017, Israel had revoked the Jerusalem residency status of 14,595 Palestinians.[26]

15. On 7 March 2018, the Knesset passed an amendment to the Entry into Israel Law that allows the Interior Minister to revoke the permanent residency in East Jerusalem of Palestinians who are suspected of "terrorist activities" as defined by Israel or have "committed acts that constitute breach of trust against the State of Israel".[27]

2. *Deportations*

16. Israel regards Palestinians whose address in the population registry is originally listed as Gaza but live in the West Bank as 'illegal aliens' unlawfully present there. The number of Palestinians deported from the West Bank to Gaza saw an increase from 1-4 in the period 2011-2015, to 6 in 2016 then 27 in 2017. There are concerns that this policy continues to gain momentum.[28]

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[22] Dror Etkes, *A Locked Garden: Declaration of Closed Areas in the West Bank* (Jerusalem, Kerem Navot, 2015), pp. 9-11.

[23] A/70/392, para. 68.

[24] E/ESCWA/2015/EC.2/4(Part VIII).

[25] Reported, inter alia, by Hamoked in "Ceased Residency", 12 June 2012. Available at http://www.hamoked.org/Document.aspx?dID=Updates1175 (accessed on 15 May 2018).

[26] Association for Civil Rights in Israel (ACRI), "East Jerusalem: Facts and figures 2017", 21 May 2017. Available at https://www.acri.org.il/en/wp-content/uploads/2017/05/Facts-and-Figures-2017-1.pdf.

[27] Knesset, "Knesset passes legislation authorizing interior minister to revoke permanent residency status over involvement in terrorism", press release, 7 March 2018. Available at http://www.knesset.gov.il/spokesman/eng/PR_eng.asp?PRID=13803.

[28] Hamoked, "Military data reveals", 20 December 2017. Available at http://www.hamoked.org/Document.aspx?dID=Updates1942.

3. *Home demolitions*

17. The policy of demolitions of structures and homes belonging to Palestinians is one of the main displacement methods used by the Israeli authorities. The total number of demolished structures reached 5,413 since 2009, including 2,009 homes, which resulted in the displacement of 8,668 people including 4,525 children.[29] The year 2017 witnessed the second largest number of demolitions in East Jerusalem in the last 17 years. Home demolitions are carried out under the following guises:

(a) Demolitions for military purposes: Israeli officials cite military necessity as grounds for destruction deemed 'vital' for the safety of Israeli security forces and settlers. Justifying the demolition of homes in the Gaza Strip during the offensives of 2009 and 2014, Israeli officials claimed that tunnels for smuggling arms had been dug under these homes, or that Palestinians had fired at Israeli targets from these houses or fields.[30] There are no accurate data on the numbers of structures demolished for military purposes;

(b) Punitive demolitions: demolitions are carried out against the family homes of Palestinians suspected of attacking Israelis and amount to collective punishment[31] prohibited under international law. Since 1967, there have been 1,526 home demolitions for punitive reasons in the occupied Palestinian territory;[32]

(c) Demolitions for lack of building permits: this is the most commonly cited reason for the demolishment of Palestinian structures in East Jerusalem and Area C. Israeli zoning and planning policies discriminate against Palestinians and restrict the areas in which they are allowed to build to 13 per cent of East Jerusalem and 1 per cent of Area C. As a result, more than 94 per cent of Palestinian permit applications have been rejected in recent years by the Israeli authorities.[33] By the end of 2017, there were over 13,000 demolition orders pending against Palestinian property in Area C. At least one third of Palestinian households in East Jerusalem lacked building permits, which placed 100,000 residents at risk of demolition-induced displacement.[34]

4. *Evictions and forced relocations*

18. Eviction from homes for the benefit of Israeli settlers is also a risk that Palestinians face, particularly in East Jerusalem and Hebron in the West Bank. One of the tactics used since 2004 by Israeli settler organizations has been to take over a Palestinian home through claim of Jewish ownership from before 1948.[35] Some 180 Palestinian families are at risk of eviction from their homes in East Jerusalem as a result of legal action by settlers.[36] Forced relocation, particularly of Bedouin and herder communities in Area C, is also a significant concern. Nearly 7,500 persons from 46 Bedouin communities, mostly refugees, face eviction and relocation.[37]

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[29] United Nations Office for the Coordination of Humanitarian Affairs (OCHA), "Demolition system", Online database. Available at https://www.ochaopt.org/page/demolition-system (accessed on 31 March 2018).

[30] B'Tselem, "Demolition for alleged military necessity", 11 November 2017. Available at https://www.btselem.org/razing.

[31] A/HRC/34/36, and OCHA, "Humanitarian Coordinator calls for end to punitive demolitions in the occupied West Bank", 16 November 2015, available at https://www.ochaopt.org/content/humanitarian-coordinator-calls-end-punitive-demolitions-occupied-west-bank. Also see para. 26 of the present report.

[32] Jeff Halper, *Obstacles to Peace: A Reframing of the Israeli-Palestinian Conflict* (Jerusalem, The Israeli Committee against House Demolitions, 2016). Available at https://icahd.org/wp-content/uploads/sites/1/2017/07/Obstacles-to-Peace-May-2016.pdf.

[33] United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), Demolition Watch. Available at https://www.unrwa.org/demolition-watch (accessed on 23 May 2018).

[34] OCHA, Humanitarian Bulletin: Occupied Palestinian Territory, December 2017, p. 9.

[35] A/HRC/37/43 para. 40, citing Seidemann, *The Israeli Settlement Enterprise in East Jerusalem, 1967-2017 (Jerusalem, 2017)*, p. 71.

[36] OCHA, *2018 Humanitarian Needs Overview: Occupied Palestinian Territory*, pp. 9-10. Available at https://www.ochaopt.org/sites/default/files/hno_20_12_2017_final.pdf.

[37] A/HRC/37/43, para. 24. Also see A/72/564, para. 36.

C. Oppression

19. The third pillar of Israel's strategy in the occupied Palestinian territory is the oppression of any form of resistance to displacement, fragmentation, dispossession or any other Israeli measures and controls. For this purpose, Israel resorts to a number practices and measures, many of which violate international humanitarian law and international human rights law.

1. *Excessive use of force with impunity*

20. The Israeli army and security forces resort to the use of excessive force, particularly during demonstrations, across the occupied Palestinian territory. This includes unlawful killings and what may amount to extrajudicial killings or summary executions, including in the context of attacks and alleged attacks by Palestinians.[38] At least 2,030 children were killed by the Israeli military or Israeli settlers between 2000 and March 2018.[39]

21. In cases of excessive use of force by Israeli security in the West Bank, especially against unarmed demonstrators, accountability is generally lacking.[40] Concern about reports of deaths attributed to a delay in the provision of medical assistance to wounded Palestinian suspects was expressed by the Office of the United Nations High Commissioner for Human Rights. The intentional blocking of ambulances and first responders has also been reported.[41]

22. Three major Israeli military offenses on Gaza between 2008 and 2014 epitomize Israel's use of force against the Palestinians. The offensives entailed violations of international human rights and humanitarian law, including disproportionate use of force that resulted in the deaths of thousands of Palestinian civilians and the destruction of tens of thousands of homes and other civilian structures and infrastructure.[42]

23. On 30 March 2018, Palestinians in Gaza started organizing periodic demonstrations named "Great march of return" at the border fence. Israeli forces used live ammunition against the demonstrators on several occasions. By 15 May, 104 Palestinians were killed, including 14 children. About 12,600 Palestinians were injured. 14 May 2018 was the deadliest day of the demonstrations, during which 60 Palestinians were killed and 2,770 injured.[43]

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[38] A/71/86-E/2016/13, para. 19. Also see Amnesty International, "Memorandum: Lethal force and accountability for unlawful killings by Israeli forces in Israel and the occupied Palestinian territories", 28 September 2016, available at https://www.amnesty.org/download/Documents/MDE1548122016ENGLISH.pdf; Amnesty International, *Amnesty International Report 2017/18: the State of the World's Human Rights* (London, 2018), p. 207; and United Nations Office of the High Commissioner for Human Rights (OHCHR), "Hebron killing: 'All the signs of an extrajudicial execution' – UN expert expresses outrage", 30 Mars 2016, available at http://www.ohchr.org/EN/NewsEvents/Pages/DisplayNews.aspx?NewsID=18544&LangID=E.

[39] ESCWA calculations based on data from Defense for Children International, Distribution of Palestinian child fatalities by month, available at http://www.dci-palestine.org/child_fatalities_by_month (accessed on 10 May 2018) and OCHA, Monthly figures, available at https://www.ochaopt.org/content/monthly-figures (accessed on 10 May 2018).

[40] A/72/565 paras. 6-16, 51.

[41] A/HRC/31/40, para. 16.

[42] A/HRC/12/48, paras. 1877, 1921 and A/HRC/29/52, para. 40.

[43] OCHA, "Sharp decline in casualties during demonstrations, as Gaza mourns yesterday's massive loss of life and struggles to treat injuries", 15 May 2018, available at https://www.ochaopt.org/content/sharp-decline-casualties-during-demonstrations-gaza-mourns-yesterday-s-massive-loss-life-and; and OCHA, Monthly figures, available at https://www.ochaopt.org/content/monthly-figures (accessed on 16 May 2018).

2. *Arbitrary detention and ill-treatment*

24. From 1967 to 2016, Israel detained more than 800,000 Palestinians.[44] At the end of March 2018, 431 Palestinians, including 3 minors, were held under administrative detention,[45] which entails the detention of suspects without charge or trial or disclosing evidence to the need thereof, with no time limit for the incarceration period. Israel's excessive use of administrative detention is inconsistent with the exceptional nature of such detention permitted under international humanitarian law, and with article 9 of the International Covenant on Civil and Political Rights.[46] Israeli authorities also transfer the majority of Palestinian detainees, adults and children, into prison facilities inside Israel, although this is also prohibited under international humanitarian law and breaches the Fourth Geneva Convention.[47]

25. Palestinian detainees, including children, have been reportedly subjected to torture and other ill-treatment, particularly during arrest and interrogation. B'Tselem and Hamoked concluded in 2015 that cruel, inhuman and degrading treatment of Palestinian detainees was inherent, institutionalized and implemented with full immunity.[48] In fact, no criminal investigations were opened into the more than 1,000 complaints of torture and ill-treatment filed since 2001.[49] The number of complaints of torture or ill-treatment involving the Israeli Security Agency has quadrupled since June 2013.[50]

3. *Collective punishment*

26. Collective punishment includes the practices of "penalizing persons for acts that they did not commit and for which they are not individually criminally responsible"[51] and is strictly prohibited under international law.[52]

27. Israel's practices of collective punishment have significantly increased in recent years, including punitive home demolitions or the revocation of residency permits or work permits of family members of Palestinians suspected of attacking Israelis. Other forms of collective punishment are punitive measures that include the closure of entire communities and villages from which a suspected perpetrator of an attack came. Since 2015, Israel resumed the practice of withholding the bodies of Palestinians killed while attacking Israelis, which is also considered as collective punishment.[53]

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[44] Addameer, *Palestinian Political Prisoners in Israeli Prisons*, p. 4. Available at http://www.addameer.org/sites/default/files/briefings/general_briefing_paper_-_june_2016_1.pdf.

[45] B'Tselem, Statistics on administrative detention, updated 23 May 2018. Available at https://www.btselem.org/administrative_detention/statistics.

[46] A/72/565, paras. 37-39.

[47] A/70/392, para. 73, A/HRC/31/40, para. 43.

[48] B'Tselem and Hamoked, *Backed by the System: Abuse and Torture at the Shikma Interrogation Facility* (December 2015).

[49] Amnesty International, *Amnesty International Report 2017/18*, p. 209.

[50] OHCHR, "Submission for the Universal Period Review of Israel", June 2017, p. 3, available at https://www.upr-info.org/sites/default/files/document/israel/session_29_-_january_2018/ohchr_-_opt_upr29_isr_e_main_rev.pdf, and A/HRC/34/38, para. 50.

[51] OHCHR, "Submission for the Universal Period Review of Israel", p. 2.

[52] International Committee of the Red Cross (ICRC), "Rule 103. Collective Punishments". Available at https://ihl-databases.icrc.org/customary-ihl/eng/docs/v1_rul_rule103.

[53] OHCHR, "Submission for the Universal Period Review of Israel", p. 2.

II. IN FOCUS: THE GAZA BLOCKADE

28. Imposed on Gaza since June 2007, the blockade is the most severe manifestation of Israel's long-standing policies on the movement of people and goods. It is also illegal and a form of collective punishment.[54] Israel, the occupying Power in Gaza, controls land, sea and air access (except the Rafah crossing). It has prevented development in Gaza and even led to its de-development, in addition to obstructing reconstruction efforts after recurrent military offensives.

29. The blockade consists of a comprehensive package of measures that includes sealing off the Strip by land, air and sea, and enforcing access-restricted areas within it ('buffer zones'). The transit of people and goods into and out of Gaza is hindered, albeit with some exceptions. After its December 2008 military offensive, Israel eased some of the restrictions due to pressure from the international community.

30. The effects of the blockade and of the recurrent military offensives on the lives of Gazans have been devastating. They include death, injury, destruction of basic infrastructure, hospitals, schools, water treatment facilities and tens of thousands of homes.[55] The long-term impact on the mental health and well-being of the survivors of offensives is tremendous.[56] The United Nations Country Team in Palestine announced in 2017 that, despite its efforts, Gaza will be unliveable in 2020 if the blockade is not lifted.[57]

A. RESTRICTING THE MOVEMENT OF PEOPLE

31. Under the blockade, the Gaza Strip has become the world's biggest open air prison. Palestinians generally cannot travel into and out of Gaza. Applications for exit permits issued by the Israeli authorities must comply with set criteria that were not made public until 2015 and are frequently changed. They are reviewed "according to the necessary individual security checks required by security forces and the Israeli police, as well as the security, political and strategic interests of the State of Israel".[58] This wide margin of interpretation allows Israel to reject permits at will. Many applications often go unanswered or are rejected for 'security reasons' with no further explanation. Gisha, an Israeli non-governmental organization (NGO), reported that as of September 2017 over 16,000 requests were pending.[59]

32. Three categories of persons may apply for permits:

(a) Patients who require "life-saving or life changing medical treatment, provided the requested treatment is unavailable in the Gaza Strip":[60] applicants should prove the need for such treatment; appointments and payments arranged in advance are among other required conditions. The approval rate for medical patients allowed through the Beit Hanoun (Erez) crossing has been declining, and in 2017 reached its lowest level, at 54 per cent, since 2008 (60 per cent), compared with 93 per cent in 2012, despite the dramatic increase in the need for external medical treatment following the 2014 military offensive. Delays in receiving permits for

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[54] Ibid., p. 5.

[55] E/ESCWA/2015/EC.1/5(Part I).

[56] E/ESCWA/ECRI/2015/WP.5.

[57] United Nations Country Team in the occupied Palestinian territory, *Gaza: Ten Years Later* (July 2017).

[58] Unofficial translation by Gisha of a document by the Coordination of Government Activities in the Territories (COGAT), Operations and Coordination Department, on the Unclassified status of Palestinians: authorizations of entry into Israel, their passage between Judea and Samaria and the Gaza Strip and their travel abroad, updated as of 18 September 2017. Available at http://www.gisha.org/UserFiles/File/LegalDocuments/procedures/general/50en.pdf (accessed on 30 May 2018).

[59] Gisha, "Gaza in numbers", fact sheet, n.d. Available at http://gisha.org/UserFiles/File/publications/Inside_look_at_gaza/Gaza_in_no.en.pdf.

[60] Unofficial translation by Gisha of the document by COGAT on the Unclassified status of Palestinians: authorizations of entry into Israel, their passage between Judea and Samaria and the Gaza Strip and their travel abroad.

medical treatment have been well documented, as has been the significant loss of life among patients. In 2017, 54 Palestinians patients died while awaiting security approval for referrals out of Gaza;[61]

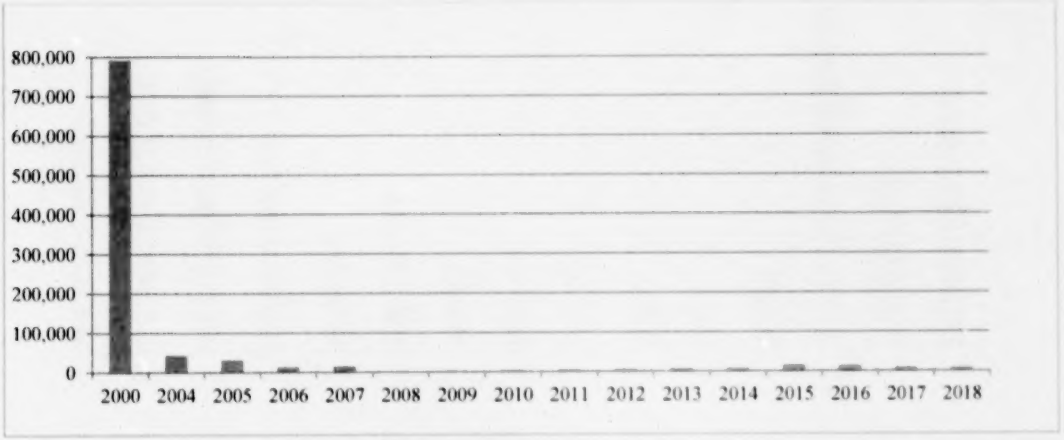
(b) "Traders and businessmen" whose movement "may contribute to improving the Gazan economy"[62] through trade in goods approved by Israeli authorities: the number of permits issued for traders has also declined from 3,500-3,700 in late 2015 to 551 in 2017;[63]

(c) Humanitarian and medical workers, including United Nations staff: the number of approved permit applications to leave Gaza for United Nations national staff increased by 19.7 per cent between the second half of 2016 and the first half of 2017. However, the time necessary for processing such permits increased from 26 to 55 working days, impeding humanitarian operations.[64] Only 61 per cent of Palestinian medical staff applying for permits through the World Health Organisation (WHO) obtained access in 2017, even though health workers are technically exempted from the general travel ban on Palestinians in Gaza.[65]

33. Figure 1 illustrates the dramatic fall in the average number of exits of persons through the Beit Hanoun (Erez) crossing over the period 2000-2018. There are instances when Palestinians who were granted permits to cross Beit Hanoun (Erez) to leave Gaza for medical treatment were reportedly blocked at the crossing and asked to provide information about relatives and armed groups in Gaza. Those who did not cooperate reportedly had their access blocked.[66]

Figure 1. Exit of persons through the Beit Hanoun (Erez) crossing

(*Monthly average*)



Source: Based on data from the United Nations Office for the Coordination of Humanitarian Affairs (OCHA), Humanitarian Bulletin: Occupied Palestinian Territory, December 2017 and "Gaza crossings: movement of people and goods", available at https://www.ochaopt.org/page/gaza-crossings-movement-people-and-goods (accessed on 30 May 2018).

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[61] World Health Organization (WHO) Occupied Palestinian territory, Monthly report: December 2017. Available at http://www.emro.who.int/images/stories/palestine/documents/WHO_monthly_Gaza_access_report_Dec_2017-final.pdf?ua=1.

[62] Unofficial translation by Gisha of the COGAT document on the Unclassified status of Palestinians, http://www.gisha.org/UserFiles/File/LegalDocuments/procedures/general/50en.pdf (see footnote 58).

[63] Gisha, http://www.gisha.org/UserFiles/File/2017Tightening_of_the_closure.pdf.

[64] OCHA, *2018 Humanitarian Needs Overview*, p. 6.

[65] WHO Occupied Palestinian territory, Monthly report: December 2017, p. 2.

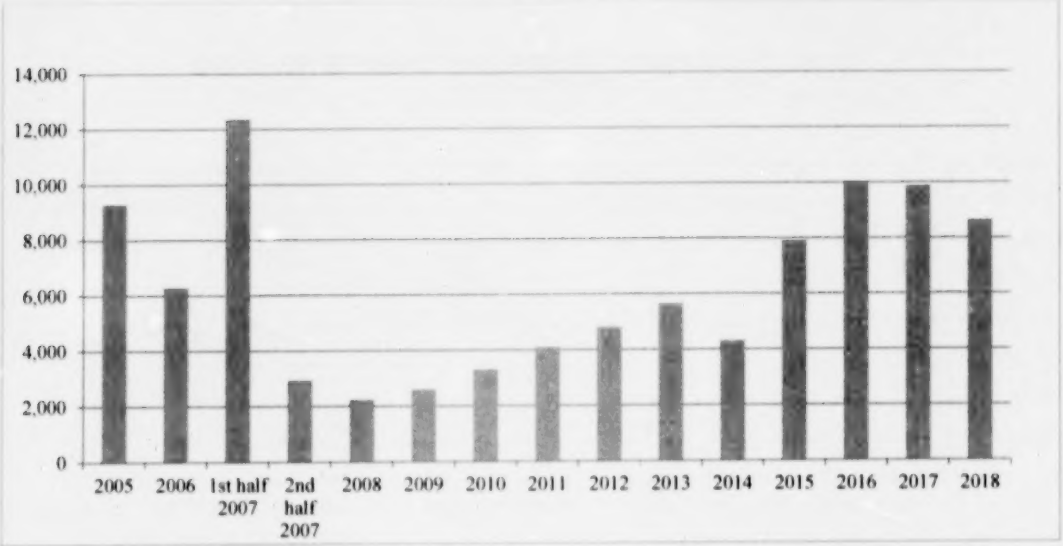
[66] A/72/565, para. 32.

B. Restricting the movement of goods

34. As part of the blockade, the Israeli authorities have intensified restrictions on the flow of goods through Gaza's land crossings. One after the other, there were completely shut down, including Al-Mentar (Karni), which was the largest and best equipped commercial crossing serving the Strip. Karm Abu Salem (Kerem Shalom) is the only crossing currently open to the transport of goods. It has a lower operational capacity and its location is less convenient compared with other crossings. Figure 2 illustrates the fluctuation in the number of truckloads entering Gaza in the period 2005-2018.

35. Between 2007 and 2010, food imports into Gaza were restricted to what the Israeli authorities labelled a "humanitarian minimum", set through the calculation of the number of calories consumed by Gazans to determine the extent to which it was possible to reduce food supply without causing hunger or malnutrition. In May 2010, Israeli authorities also placed a prohibition on certain food items with no clear justification.[67] The 'flotilla incident' and international pressure prompted Israel to change this policy in June 2010: it lifted restrictions on the entry of goods, except for building materials and goods defined as having a 'dual use'.[68]

Figure 2. Entry of truckloads into Gaza
(*Monthly average*)



Source: Based on data from OCHA, "The Gaza Strip: The humanitarian impact of the blockade", fact sheet, November 2016; and "Gaza crossings: movement of people and goods", available at https://www.ochaopt.org/page/gaza-crossings-movement-people-and-goods (accessed on 30 May 2018).

36. Although the volume of imports to Gaza gradually increased over the years, it remains well below pre-blockade levels. Taking into consideration the increase in demand due to the increase in population size from 1.4 million in 2007 to almost 2 million in 2018, the parallel increase in consumption levels and the large volume of materials needed for reconstruction and rehabilitation following the recurrent military offensives, the levels of imports remain, at best, insufficient.

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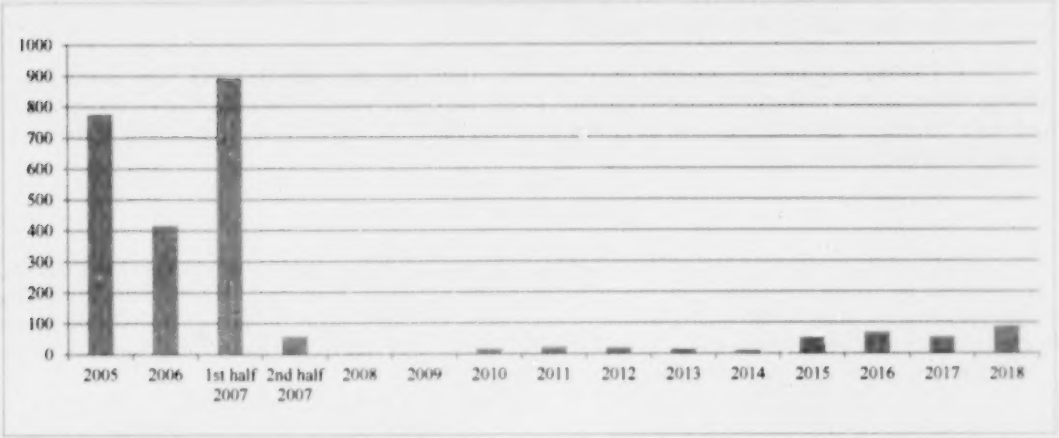
[67] Gisha, "Partial list of items prohibited/permitted into the Gaza Strip", May 2010. Available at https://gisha.org/UserFiles/File/HiddenMessages/ItemsGazaStrip060510.pdf (accessed on 30 May 2018).

[68] See paras. 38 and 39 of the present report. Also see Gisha, "Reader: Food Consumption in the Gaza Strip - Red Lines", October 2012, p. 4. Available at http://www.gisha.org/UserFiles/File/publications/redlines/redlines-position-paper-eng.pdf.

37. The severe restrictions on exports from Gaza remains in place albeit some easing as of 2014. The few sectors holding economic and employment potential in Gaza are limited by export prospects, with export also hindered by restrictions on the movement of people and goods. Figure 3 shows the dramatic decline of exit of goods from Gaza by truck over the period 2005-2008.

Figure 3. Exit of truckloads from Gaza
(*Monthly average*)



Source: Based on data from OCHA, The Gaza Strip: The humanitarian impact of the blockade, and "Gaza crossings: movement of people and goods" (see figure 2).

C. DUAL-USE ITEMS

38. In 2008, the Israeli authorities compiled a list of dual-use items, or items that are intended for civilian use but may be used for 'military' purposes, such as the construction of tunnels. The list had two sections: the first included 64 items banned from all the occupied Palestinian territory and the second 90 items banned from Gaza specifically.[69] Another 48 items were added to the latter list in March 2015.[70] Traders have reported that the Israeli authorities may deem nearly any item as dual use, even if it was previously allowed in with no special controls.[71]

39. The ban of dual-use items has affected almost every sector in the Gaza Strip, from construction and housing to water and sanitation, medical services and education. It has contributed to further deepen the economic and humanitarian crises affecting Gaza. Below are some illustrations:

(a) In 2017, the United Nations Country Team in the occupied Palestinian territory declared that the Gaza Reconstruction Mechanism was "less successful in enabling import of 'dual-use' items other than re-bar and cement (non-BC)".[72] In July of that year, water pumps, elevators, wood, steel, cables and other electrical

[69] COGAT, "List of 'dual use' items requiring a transfer license", n.d. Available at http://www.cogat.mod.gov.il/en/services/Documents/List%20of%20Dual%20Use%20Items%20Requiring%20a%20Transfer%20License.pdf (accessed on 15 May 2018).

[70] Gisha, "Dark-gray lists", n.d. Available at http://gisha.org/UserFiles/File/publications/Dark_Gray_Lists/Dark_Gray_Lists-en.pdf (accessed on 15 May 2018).

[71] World Bank, Economic monitoring report to the Ad Hoc Liaison Committee, 18 September 2017, p. 23.

[72] United Nations Country Team in the occupied Palestinian territory, *Gaza: Ten Years Later*, p. 11. The Gaza Reconstruction Mechanism was established in the aftermath of the 2014 Israeli offensive on the Gaza as a coordination mechanism to facilitate the entry of material needed for reconstruction and development projects undertaken mainly by United Nations entities.

equipment requested through the Mechanism were still awaiting a decision by the Israeli Government, with many requests pending for more than six months. These delays impact large-scale development projects, especially in the critical energy, water and health sectors;

(b) The size of wood planks allowed in is limited to less than 1 cm for thickness and 5 cm for width. This, along with the ban on other materials such as lacquers and glues, has led the furniture sector to a near collapse. Prices of items such as wooden doors have thus soared as stocks ran out. Manufacturers are finding themselves out of business. Yet, in a somewhat contradictory stance, in 2015, the Israeli authorities decided that furniture from Gaza could be sold in Israel;[73]

(c) Drilling equipment, construction materials, water pumping supplies and high-concentration chlorine compounds are also on the list of dual-use items. Their ban impedes the maintenance, rehabilitation and development of the water network and water treatment facilities, including those damaged or destroyed during the military offensives.[74]

D. ACCESS-RESTRICTED AREAS

40. As part of the blockade, Israel enforces buffer zones on land and sea, known as access-restricted areas. According to the Israeli army, there are "no go" areas for people up to 100 meters from the fence separating Gaza from Israel, and up to 200 meters for heavy machinery. In reality, up to 300 metres from the perimeter fence are reported by most farmers as a "no-go" area practically, and up to 1,000 metres as a "high risk" area, since Israeli troops enforce the buffer zone using live ammunition.[75]

41. By sea, the access-restricted area is generally 6 nautical miles (Nm).[76] It is reduced at certain periods to 3 Nm and expanded to 9 during the sardine season. It remains well below Israel's obligation under the Oslo Accords to permit fishing up to 20 Nm off the Gaza coastline.[77]

42. Israel often enforces maritime access restrictions using live ammunition and confiscation, leading to casualties and damage or loss of boats.

III. SOCIOECONOMIC IMPACT OF THE ISRAELI OCCUPATION ON THE PALESTINIAN PEOPLE

43. The Israeli practices and measures described in the sections above have had a detrimental effect on the Palestinian people, and on their social and economic conditions. The fact that in 2018, 2.5 million Palestinians, or half the population, are in need of humanitarian assistance[78] illustrates their dire situation. This includes 80 per cent of Gazans who have become dependent on aid, including food assistance.[79]

44. Prolonged occupation and related policies and practices have had a cumulative, multilayered impact with profound negative intergenerational effects on the Palestinians, and on their society, economy and environment.

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[73] Gisha, "Dark-gray lists", p. 3.

[74] Ambrogio Manenti and others, Report of a field assessment of health conditions in the occupied Palestinian territory (WHO, February 2016), p. 23. Available at http://apps.who.int/gb/Statements/Report_Palestinian_territory/Report_Palestinian_territory-en.pdf.

[75] OCHA, *2018 Humanitarian Needs Overview*, p. 5.

[76] Ibid., pp. 5 and 35.

[77] OCHA, Humanitarian Bulletin: Occupied Palestinian Territory, March 2018.

[78] OCHA, *2018 Humanitarian Needs Overview*, p. 17.

[79] OCHA, *2018 Humanitarian Needs Overview*, p. 8.

45. The State of Palestine remains at a low-equilibrium latent level of industrialization. Worsening social and economic indicators further deteriorate the state of physical and human capital, restrict market access, erode investor confidence and hasten de-industrialization. This exerts pressure on the agricultural, mining and tourism sectors, for example, which, even under ideal circumstances, need well-tailored policies and enabling conditions for success. The tourism sector in the occupied Palestinian territory has been unable to reach its potential due to the occupation and its practices.

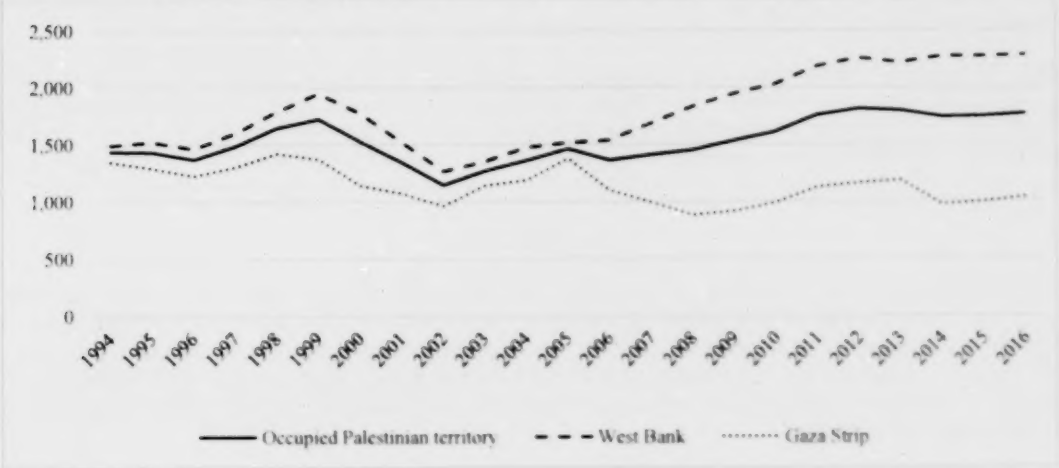
46. Although assessing the cumulative and long-term effects of the occupation requires a multidisciplinary research effort, a snapshot of the current socioeconomic conditions and the situation of selected economic sectors provides a glimpse about the immediate impact of the Israeli occupation and its practices.

A. Snapshot of socioeconomic conditions in the occupied Palestinian territory

1. *Macroeconomic status*

47. Real gross domestic product (GDP) growth in the occupied Palestinian territory dropped from 4.1 per cent in 2016 to 3.1 per cent in 2017.[80] The International Monetary Fund (IMF) projects that growth will decelerate to 3 per cent in 2018 (2.7 per cent for the West Bank and 4 per cent for Gaza).[81] Figure 4 highlights the fluctuations of GDP per capita in the occupied Palestinian territory since 1994 and the divergent paths of the West Bank and Gaza, with 2004 as base year. Growth witnessed in Gaza following 2014 represents a reconstruction boom and an attempt to catch up with pre-offensive conditions, rather than expansion in new economic sectors. The GDP per capita of Gaza as of 2016 remained below its 1994 levels, which illustrates the impact of Israeli measures, including the blockade. GDP per capita in West Bank only matched its 1999 levels in 2010.

Figure 4. GDP per capita in the occupied Palestinian territory, 1994-2016



Source: Based on data from PCBS. Available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/E_QNA_Constant.htm (accessed on 15 May 2018).

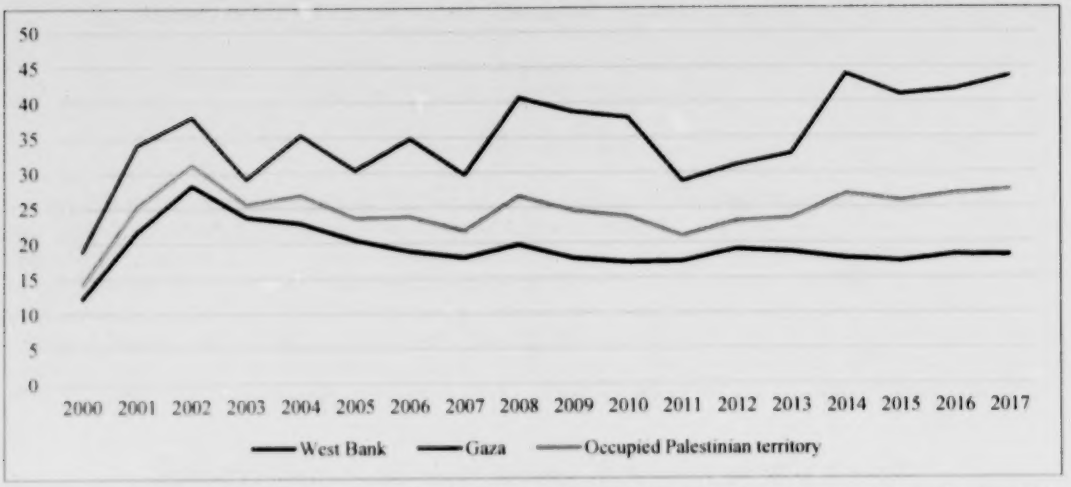
Notes: Data exclude East Jerusalem. GDP per capita is calculated at constant 2004 prices.

[80] Most recent data available from PCBS.

[81] International Monetary Fund (IMF), "West Bank and Gaza: Report to the Ad Hoc Liaison Committee", 31 August 2017.

48. Figure 5 shows that unemployment remains detrimentally high, and particularly high and volatile in Gaza. In 2017, unemployment in the occupied Palestinian territory was 27.7 per cent, 22.5 per cent for men and 47.8 per cent for women. In the fourth quarter of 2017, it stood at 40.7 per cent for young adults (20-24 years).[82] Constraints facing the creation of new jobs and the expansion of business are compounded by the blockade and general conditions imposed by Israel. The lack of opportunities and poor outlook compound the humanitarian situation in Gaza.

Figure 5. Unemployment rate
(*Percentage*)



Source: Based on data from PCBS. Available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/unemployment-2015-01e.htm (accessed on 25 April 2018).

49. Deteriorating macroeconomic conditions are worsened by restrictions on the movement of workers and goods and low levels of investment, which result in an erosion of the productive base. Cuts in expenditure, low investment and a pending decline in international assistance exert further negative pressures. The occupied Palestinian territory faces an anticipated budget deficit of 8.4 per cent of GDP as of 2017.[83] The poverty rate has risen from 26 per cent in 2011 to 29 per cent in 2017, with an alarmingly high 54 per cent in Gaza.[84]

2. *Food security*

50. More than one fifth of Palestinian households were found to be food insecure in 2017, while two fifths were so in Gaza. The number of people receiving food aid from the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) has increased from about 80,000 in 2000 to over 993,000 in 2017,[85] which underscores the potential devastating impact of falling financial support to UNRWA. Food security is worsened by limited access to agricultural lands, low supply and quality of water, intermittent energy supply and poor diets.

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[82] PCBS, "Results of the Labour Force Survey Fourth Quarter (October-December, 2017) Round", press release, n.d. Available at http://www.pcbs.gov.ps/site/512/default.aspx?lang=en&ItemID=3050 (accessed on 15 May 2018).

[83] IMF, "West Bank and Gaza: Report to the Ad Hoc Liaison Committee", 10 April 2017.

[84] Preliminary data provided by PCBS.

[85] Information provided by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA).

3. *Health*

51. The socioeconomic situation and the lack of protection, coupled with the limited provision of quality health care, have had a severe impact on the health of Palestinians. Medical facilities across the occupied Palestinian territory face supply shortages, with an average of 23 per cent of essential medicines and 19 per cent of essential medical supplies reportedly out of stock in health facilities in 2017. Gaza's Central Drug Store reported a monthly average of 32 per cent of essential drugs and 24 per cent of essential medical disposables as completely depleted over the last four months of 2017.[86] Over 260,000 Palestinians living in Area C and Hebron are dependent on humanitarian health care. Overcrowding in Gaza and in refugee camps, as well as inadequate sewage and water systems, have led to severe health risks. Gazans also face the mental health effects of military offensives. As for East Jerusalem, the refusal of Israeli ambulances to cross the wall results in a lack of essential health and emergency care for thousands of Palestinian Jerusalemites living beyond the wall.[87]

4. *Water, sanitation and hygiene*

52. Roughly 1.8 million Palestinians are in need of humanitarian WASH assistance.[88] Only 10.4 per cent of Gazans have access to improved drinking water sources,[89] and 22 per cent of West Bank residents suffer from lack of access to, or poor quality of, water.[90] Only 59 per cent of Palestinian residents in East Jerusalem are legally connected to the water grid.[91] The water allotted to Palestinians hovers around 75 per cent of the amount that was agreed in the Interim Agreement on the West Bank and the Gaza Strip (Oslo II Agreement) of 1995, which provides for unlimited supply to Israel. In Area C, around 95,000 people receive less than 50 litres of water per capita per day.[92] The blockade of Gaza and other limitations and restrictions across the occupied Palestinian territory prevent the improvement of water infrastructure.

5. *Education*

53. An estimated 490,145 children across the occupied Palestinian territory face challenges in accessing quality education in a safe, child-friendly environment.[93] Violence, harassment and intimidation by Israeli security forces and settlers limit their access to regular educational opportunities. Schools, particularly in East Jerusalem, have poor infrastructure and are prevented from improving it or relocating due to a restrictive zoning and planning regime. Additionally, Palestinian children attending schools in East Jerusalem have no other option than to study a version of the Palestinian curriculum that has been modified by Israel.[94] Limited educational opportunities will contribute to the growing proportion of unemployed youth.

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[86] Seventy-first World Health Assembly, Health conditions in the occupied Palestinian territory, including east Jerusalem, and in the occupied Syrian Golan, 18 May 2018 (A71/27).

[87] A/HRC/37/43.

[88] OCHA, *2018 Humanitarian Needs Overview*, p. 27.

[89] ESCWA calculations based on data from the 2014 Multiple Indicator Cluster Survey (MICS).

[90] OCHA, *2018 Humanitarian Needs Overview*, p. 27.

[91] ACRI, "East Jerusalem: Facts and figures 2017", pp. 4-5.

[92] OCHA, *2018 Humanitarian Needs Overview*, p. 29.

[93] Ibid, p. 38.

[94] Ibid., p. 11.

B. Selected economic sectors with potential and the constraints they face

54. Israeli policies and practices in the occupied Palestinian territory negatively affect sectors with significant potential for income generation and job creation. The widely shared challenge of raising wages and creating opportunities in sustainable industries is exacerbated in the occupied Palestinian territory by specific adversities. Progress towards the SDGs, particularly SDG 8 on decent work and economic growth and SDG 9 on resilient infrastructure, inclusive and sustainable industrialization and innovation, will require concerted efforts and the alleviation of constraints on areas of economic potential.

55. In 2016, about 98,776 persons were employed in industrial activities. The two largest subactivities of employment were manufacture of food products and the manufacture of non-metallic mineral products. These were also the two largest subactivities by output, accounting for roughly 20 per cent and 22 per cent of the $4.1 billion of industrial output, respectively.[95]

56. Thus, there appears to be more potential for economic growth in the processing of minerals, crops and other resources than in the production of raw materials in mining, quarrying and agriculture. Tourism is also a sector that holds significant potential for income, job creation and foreign exchange earnings. This assessment fits with the orientation set in the National Policy Agenda 2017-2022, which focuses on manufacturing, agriculture, tourism and restoring Gaza's industrial base. Selected sectors, namely mineral-based industry, agriculture and tourism, will be examined in more detail in the following sections in terms of the potential they hold and hindrances that constrain them.

1. *Restrained progress in mineral-based industry*

57. The main mineral activities in the occupied Palestinian territory are related to gravel and stone quarrying, and minerals and salts from the Dead Sea.[96] As is clear from experiences of countries such as Australia, Chile and South Africa, income and employment multipliers in the mining sector and resilience to price shocks are to be found in downstream processing and upstream inputs, but not in raw material extraction.[97] This is also the case in the occupied Palestinian territory.

58. The challenge for policymakers will thus be to spur value addition in mineral-based manufacturing. One area with potential added value outlined by the World Bank is stone crushing to produce gravel for concrete asphalt and other inputs to the construction industry. This would however require re-investment and upkeep, which are prevented by Israeli restrictions. Lack of permits, poor access to geo-data, lack of availability of credit and other constraints linked to the occupation hinder the development of this subsector.[98]

59. Israeli firms do not face the limitations placed on their Palestinian counterparts. They continue acquiring permits to quarry and extract in the occupied Palestinian territory, in what may amount to a violation of international law. Ten Israeli-owned quarries are active in the West Bank, all established after 1967. The areas in which these quarries are located are, for the most part, Israeli-declared 'State land'. Over 20 per cent of

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[95] Data from PCBS. Available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Selec_Indic_2016.htm (accessed on 30 May 2018).

[96] Roubina Ghattas and others, *Opportunities and Challenges of Palestinian Development Actions in Area C* (Jerusalem, ARIJ, 2017). Available at https://www.arij.org/files/arijadmin/2017/areac_report_2017.pdf.

[97] African Union, *Africa Mining Vision: February 2009*. Available at http://www.africaminingvision.org/amv_resources/AMV/Africa_Mining_Vision_English.pdf.

[98] World Bank, West Bank and Gaza: Area C and the future of the Palestinian economy, Report No. AUS2922 (Washington, D.C., October 2013).

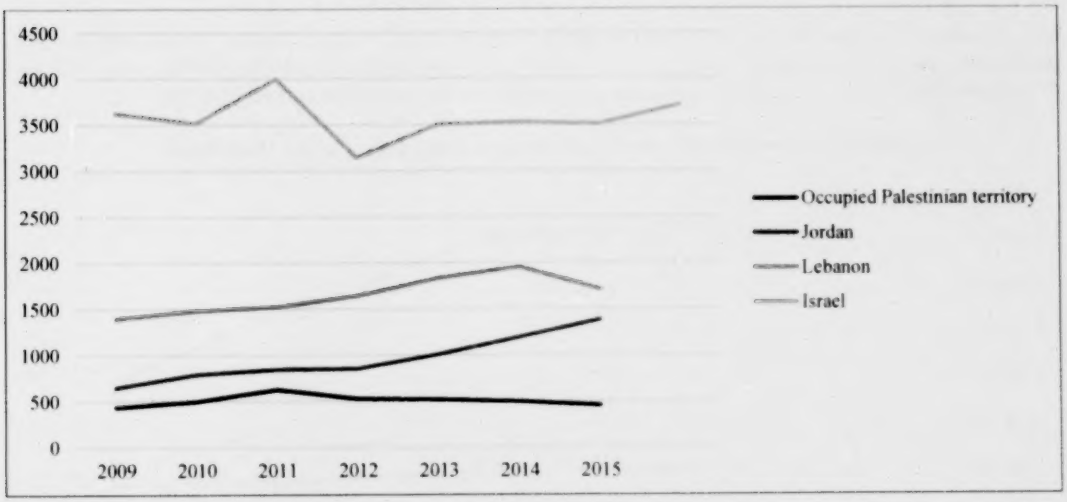
Israel's general consumption comes from its quarries in the occupied Palestinian territory.[99] The benefits from raw mineral extraction for exports and as an input to the domestic economy are accruing to Israeli rather than Palestinian firms.

60. Israeli authorities have not been issuing new permits for Palestinian companies to quarry in Area C since 1994, yet mineral reserves there are worth an estimated $30 billion.[100] According to the Palestinian Union of Stone and Marble, since 2012, existing licences have not been renewed. This has resulted in several Palestinian quarries in Area C ceasing operations or being forced to shut down.[101] The mineral potential of the Dead Sea is also limited for Palestinians due to Israeli restrictions on access and use.

2. *Hindrances in the agriculture sector*

61. The agricultural sector in the occupied Palestinian territory has stagnated in recent years and faces constraints placed upon it by the Israeli occupation. Agriculture's contribution to GDP has decreased in recent years, from 7 per cent in 2009 to 4 per cent in 2015. This reflects global trends of a declining share of agriculture in total output and a rising share of services. However, agricultural output has fallen in absolute terms as well, from $1 billion in 2012 to $800 million in 2015,[102] against global trends. Also striking is the stagnation at low levels of agricultural value added, illustrated in figure 6.

Figure 6. Agricultural value added in selected countries
(*Millions of United States dollars*)



Source: ESCWA calculations based on data from the World Bank, World Development Indicators. Available at https://data.worldbank.org/products/wdi (accessed on 15 April 2018).

[99] Yesh Din, "The great drain – Israeli quarries in the West Bank: High Court Sanctioned Institutionalized Theft", Position Paper (September 2017).

[100] World Bank, West Bank and Gaza: Area C and the future of the Palestinian economy, p. 13.

[101] Yesh Din, "The great drain", pp. 21-22; Human Rights Watch, *Occupation, Inc.: How Settlement Businesses Contribute to Israel's Violations of Palestinian Rights* (January 2016); World Bank, West Bank and Gaza - Area C and the future of the Palestinian economy, pp. 13-15.

[102] Data from PCBS, available at http://www.pcbs.gov.ps/Portals/_Rainbow/Documents/Other-2016-E-19.html (accessed on 15 May 2018).

62. Significant potential exists in agricultural processing and industry. Manufactured agricultural products can better withstand global agricultural commodity price swings, provide higher incomes from export, and their development can build lateral linkages to other industrial activities. However, this potential is constrained by Israeli practices.

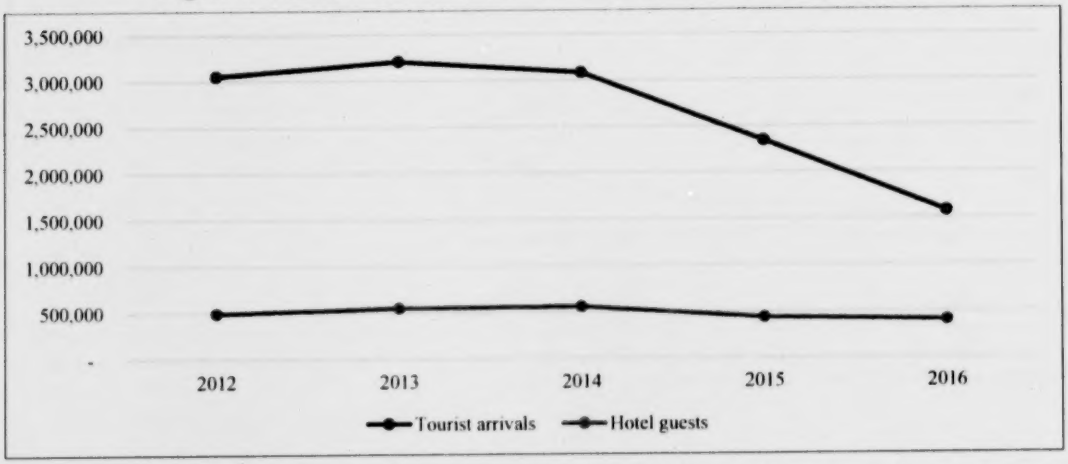
63. A study by the Applied Institute of Research Jerusalem (ARIJ) showed that, in 2013, the largest food processing activities in the occupied Palestinian territory included the production of canned vegetables and fruits, oils and vegetable fats, wheat flour and grains, and pasta and vermicelli.[103] The study noted that processed foods had a profit margin of 12 per cent domestically and 20 per cent in foreign markets. It highlighted the importance of exports and access to foreign buyers for Palestinian agro-processing, and underlined the constraints stemming from Israeli measures and restrictions.

64. Several other factors affect the performance of the agricultural sector, including restrictions placed by Israel on Palestinians' access to the Seam Zone and areas close to settlements. This has for example reduced olive tree yields in the Seam Zone by 55-65 per cent over the last four years, compared with yields in areas that can be accessed year-round.[104] The blockade in Gaza also prevents upkeep of land and current crops, and the restoration of irrigation systems and maintenance of soil fertility. Another obstacle is that the occupied Palestinian territory market is flooded with agricultural products at low prices originating from Israel and its settlements.[105]

3. *Obstacles and violations in the tourism sector*

65. Tourism is potentially a significant income-generating sector in the occupied Palestinian territory, particularly due to the religious status of a big number of sites. It has experienced periods of growth and development. However, the sector is particularly vulnerable to the restrictive actions of Israel.

Figure 7. Numbers of tourist arrivals and hotel guests in the West Bank



Source: ESCWA calculations based on data from the World Tourism Organization. Available at http://statistics.unwto.org/content/compendium-tourism-statistics (accessed on 1 May 2018).

[103] http://www.arij.org/files/arijadmin/IDRC/finalcermony/2015_05_06_-_Booklet_-_FPCA_project_-_English_final_-_March_2015-_not_for_IDRC.pdf.

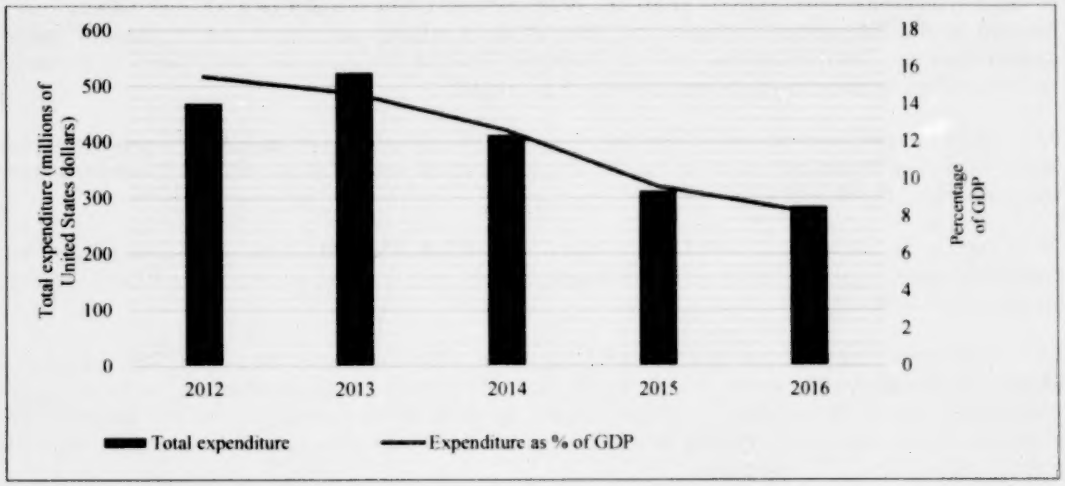
[104] OCHA, Humanitarian Bulletin: Occupied Palestinian Territory, November 2017.

[105] United Nations Conference on Trade and Development, *The Besieged Palestinian Agricultural Sector* (New York and Geneva, 2015).

66. Figure 7 shows that arrivals of tourists decreased from 2013 to 2016, while the numbers of hotel guests remained roughly constant. Most tourists stay in hotels in occupied East Jerusalem and Israel, only taking day tours to sites in the West Bank. Mobility restrictions imposed on Palestinians in the West Bank are not applicable to foreigners or to Israeli tour operators.

67. Recent PCBS data show that tourist arrivals during the first six months of 2017 (1.4 million arrivals) were up significantly from the first six months of 2016 (952,000 arrivals). This positive trend can be built upon by further fostering the tourism sector. However, the low numbers of hotel guests persist, with only 260,868 guests in the first six months of 2017.[106] Expenditure on tourism travel has been falling, as illustrated in figure 8.

Figure 8. Expenditure on tourism travel in the occupied Palestinian territory



Source: ESCWA calculations based on data from the World Tourism Organization. Available at http://statistics.unwto.org/content/compendium-tourism-statistics (accessed on 1 May 2018).

68. The 1994 Protocol on Economic Relations between Israel and the Palestine Liberation Organization states that "tourism companies and agencies licensed by either side shall enjoy equal access to tourism – related facilities and amenities in border points of exit and entry according to the regulations of the authority operating them".[107] Nevertheless, Israel has denied the control of Palestinians over the entry and exit of tourists in the West Bank, including East Jerusalem. Palestinians are thus unable to charge visit fees or to collect data.[108] Israel has also violated the Protocol by denying Palestinian tourism professionals permits to work as tour guides in Israel. By 2015, there were 25 Palestinian tour guides working in Israel, while 8,000 Israeli tour guides had access to sites in Area C, as well as historic sites in Areas A and B (which are technically off limits to Israeli citizens).[109]

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[106] PCBS and the and the Ministry of Tourism and Antiquities (MOTA), "Sustainable tourism – A tool for development", press release on World Tourism Day, 27 September 2017. Available at http://www.pcbs.gov.ps/post.aspx?lang=en&ItemID=2522.

[107] The Israeli-Palestinian Interim Agreement on the West Bank and the Gaza Strip, Annex IV: Protocol on Economic Relations between the Government of the State of Israel and the Palestine Liberation Organization, 1994, article X (6).

[108] State of Palestine, *Israel's Exploitation of Palestinian Tourism and International Complicity: Tourism as a Tool to Normalize Occupation* (December 2017).

[109] Ibid.

69. The Palestinian Ministry of Tourism reports that Israel has damaged or destroyed 1,000 historical sites in the process of the building the wall.[110] Furthermore, Israel has denied applications for permits to rehabilitate cultural, natural and archaeological sites.

70. Finally, Israel has extended its domestic law to East Jerusalem and has declared the majority of discovered and undiscovered historic artefacts as property of the State of Israel, which is in violation of international law.[111]

IV. CONCLUSION

71. Israel continues to consolidate its control over the occupied Palestinian territory. In addition to the loss of life and limb, Israeli policies and practices have resulted in the deterioration of social and economic conditions, and caused humanitarian crises and de-development. The cumulative direct and indirect losses incurred by the Palestinians throughout 51 years of direct military occupation and 70 years of forced displacement are intergenerational and multilayered. Despite the need for one, there is currently no methodology to guide any assessment process in this regard.

72. Many of Israeli practices and policies are in violation of international law, including the principle of the inadmissibility of the acquisition of territory by war, and multiple articles of international humanitarian law and international human rights law.

73. For decades, Gazans have been living in unprecedented and unbearable conditions. Additional detailed research is needed to generate further evidence-based advocacy on their situation and to support them in putting an end to their suffering.

74. Interventions are needed to spur industrial success, in order to overcome the extraordinary constraints imposed by the occupation and to unleash the potential for resource-based manufacturing in the occupied Palestinian territory. The subsectors of agro-business and mineral-based manufacturing and the means to overcome Israeli restrictions impeding their development should be further examined so that the required policies and actions can be determined.

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[110] Ibid.

[111] See United Nations Educational, Scientific and Cultural Organization (UNESCO), Decision 39 COM 7A.27 on the Old City of Jerusalem and its Walls (site proposed by Jordan) (C 148 rev); and para. 9 of the present document.